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CIA Draws Criticism For Red Economy Story

By the Associated Press

Some members of a House foreign affairs subcommittee were sharply critical of the recent release by the Central Intelligence Agency of a report saying the Russian economy is going downhill.

"People do not trust the CIA," said Representative Frances P. Bolton, Republican of Ohio. "If the President had announced it . . . if the Secretary of State had announced it . . . it would have had an entirely different impact. I think it has had almost a bad impact. They do not believe it. I think that is terribly unfortunate."

Mrs. Bolton was speaking to Undersecretary of State Harriman during a recent closed hearing on the United States ideological offensive, or how to win the cold war. The testimony was released yesterday.

Mr. Harriman disclosed that it was he who asked that the study be made. As to its release under the aegis of the CIA, he said "this particular decision was made by appropriate authority."

Criticizes CIA

"Somebody called it to the attention of the President or the Secretary of State," Subcommittee Chairman Fawell, Democrat of Florida, suggested.

"Yes," Mr. Harriman said.

At another point in the hearing, with Don Wilson of the United States Information Service on the stand, Representative Gross, Republican of Iowa, said "This concerns me, and I am sure it does the chairman of this committee. . . . If the CIA is now in the business of making releases that certainly are of serious consequences from the foreign policy standpoint, we had better know it around here."

Representative Fawell commented, apparently referring to the CIA, "let us hope, Mr. Gross, we will be able to get to the root of that matter, but at the present time we seem to have some reluctance on the part of the agency to appear."

Overseas Reaction

Mrs. Bolton added: "My people at home are exceedingly worried to have the CIA making foreign policy. Who is governing the country anyway? Who is responsible? They do not like it. It gives a sense of insecurity in my area."

Mr. Fawell said he too is concerned about the foreign policy implications, and asked Mr. Wilson to submit a statement on whether the CIA release had created any objection in other countries or adverse criticism.

In a statement submitted later, the USIA said the only foreign reaction had come from Moscow, where Russian newspapers called it "this latest fabrication by United States Intelligence," and in the London Times, which questioned the way it was released.

In releasing the testimony, Mr. Fawell said it "points to some gaps in the organization and management of our Governmental effort in waging ideological warfare."

The testimony was taken January 13 and 14 and February 20.

*For Affairs
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